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C O N F I D E N T I A L SECTION 01 OF 04 ABUJA 000720

SIPDIS

CAIRO FOR POL - J. MAXSTADT

E.O. 12958: DECL:
TAGS: PREL KCRM EFIN ECON PINS PTER PHUM PGOV NI
SUBJECT: NIGERIA: POLICY CONSIDERATIONS IN THE
PRESIDENTIAL ELECTION

Classified by Ambassador Howard F. Jeter. Reasons 1.5 (b) and (d).

11. (C) Summary. The April 19 election will test the tensile strength of Nigerian democracy and its supporting institutions. While many will play important roles in this national drama, the primary antagonists are President Obasanjo and Muhammed Buhari. Not only is this election a litmus test of democratic consolidation in Nigeria, it also could spell substantive policy differences on issues key to the bilateral agenda. Obasanjo and Buhari differ on economic reform, i.e. privatization, poverty reduction, and working with the IFI's. Both would fight corruption and drug-trafficking but their priorities and approaches would be dissimilar. Both would want to maintain our strong security assistance relationship, but Obasanjo would be more aggressive. Human rights might be better protected under the President, and our anti-corruption efforts might bear more fruit under Buhari. In the end, we could deal effectively with either man; the bilateral relationship would just vary in areas of accord and disagreement. History suggests that Obasanjo, however, would be more predictable and proactive in seeking a good relationship. End Summary

DEMOCRACY

- 12. (C) Twice Nigeria has attempted a civilian-to-civilian transition through elections; twice it has failed. Each time a flawed electoral process was followed by successful coups. The quality of the April 19 Presidential election and its resultant aftermath will determine if democracy has been solidified or put in great peril. Right now, the signs are not good; dark clouds are gathering, portending a storm of controversy, with possible unrest and violence in many areas of the country. The possible saving grace this time is that there is no sign the military is particularly interested in executing a coup now or in the near future.
- 13. (C) The allegations of massive vote manipulation by the opposition have cast a pall over the elections and could bring into question the legitimacy of the winner and his government. The opposition has alleged that the fraud committed on April 12 exceeds the malpractices of 1999 and harkens to the failed elections of 1983. Compounding the historic connection to 1983 is the fact that President Obasanjo was the military leader who handed power to the civilian government that conducted the 1883 elections; Buhari was a military leader who engineered the coup terminating that government.
- 14. (C) In an April 16 press statement, Buhari explicitly drew the parallel to 1983, exhorting supporters to take "mass action" if the Presidential election repeated the systemic fraud that afflicted the April 12 contests. (Comment: Buhari's call for mass action was purposely vague as to exactly what steps he will ask his followers to take in the eventuality of another controversial vote count. While vague, the threat was not veiled. Buhari basically has told his followers to be ready to grind the country to a halt if the election is manipulated. End Comment.)
- 15. (C) Much of the criticism of the April 12 election appears warranted; unfortunately, these irregularities will likely reappear on April 19. There probably has

been significant vote manipulation in many areas. Unlike 1999 when all three parties fixed the voting in areas within their spheres of influence, most credible allegations this time are being levied against the ruling PDP. While 1999 may have been a "fair cheat", this time the wrongdoing seems heavily dominated by only one party, the PDP.

16. (C) The irregularities surrounding the elections are too significant to ignore. We expect both international and domestic observers to be critical. We also have to be prepared to make a statement that may not set comfortably with the putative winner, Obasanjo. While we may not reach the point of calling the entire outcome into question, any public USG statement must point out the obvious deficiencies and point fingers at those who were responsible. Given the contested nature of the elections, we also must call on the eventual victor to reach out to the vanquished to strengthen an otherwise controversial and defective mandate by keeping them involved in the governance process in a meaningful, if informal, way. A call for national consensus and unity on the way forward has to be a part of our message.

ECONOMIC REFORM

- 17. (C) Overall, Obasanjo is more inclined to free market, private sector oriented reform than Buhari. Obasanjo's present term started promisingly, but toward the end, the drive toward reform gave way to backward steps toward protectionist tariffs. Whether Obasanjo would be a plodding, imperfect reformer or a dedicated one will be revealed by his political appointments. If he returns many of the same Ministers and senior officials, reform will be little more than a shibboleth. Should he bring out the broom and sweep his Cabinet to make room for a cadre of young technocrats, meaningful reform has a chance. We would also have to watch the behavior of Vice President Atiku. Not only does Atiku promise to be actively involved in the domestic agenda, he will try to steer policy and decisions to maximize his electoral chances in 2007. This could throttle reform, particularly in the last half of the term. Atiku simply does not show the same reformist impulse exhibited by Obasanjo. Meanwhile, Buhari will be a perfect reformer; the unfortunate thing is that at least some of his reforms will likely be retrograde. He is at heart a statist and wary of the free market and foreign investment. He deplores the IFI's. However, he recently has exhibited willingness to consider privatization's merits. While Obasanjo is a dedicated micro-manager of economic and other issues, Buhari is likely to delegate heavily, and many of his advisors share his statist tendencies.
- 18. (C) Privatization: This has been one of Obasanjo's accomplishments and he will likely accelerate the pace. Conversely, Buhari believes that privatization will surrender Nigeria's assets to predatory foreigners and already affluent Nigerians who gained their wealth dishonestly. For him, privatization is a scam to make the rich guys richer. His policy would be to retain many of the parastatals and make them work better by instilling discipline, fighting corruption, and making them more efficient. He would likely halt the ongoing privatization of the national power company, NEPA. The opportunity costs of keeping inefficient, non-performing alive, would probably not be apparent to Buhari, much less deter him.
- ¶9. (C) Relations with the IFIs: Obasanjo does not like the IFIs but knows that he must work with them. If elected, he would resume a formal arrangement with the IMF, for example. On the other hand, Buhari had a confrontational relationship with the IFIs as a military leader and he is prepared to resume that same dissonance as the elected Head of State.

CONFLICT RESOLUTION

110. (C) This is President Obasanjo's ken. During this election period, he took a leave from active leadership in West African and regional statesmanship, except for intermittent forays into the Zimbabwean and

Ivoirien crises. Freed of the constraints imposed by the elections, we would expect Obasanjo to resume a high level of engagement; more importantly, we could expect a good degree of cooperation and harmony of views, with the exceptions of Zimbabwe and single-country resolutions in international fora. We also would expect Obasanjo to do more in Liberia, and exert more pressure to bring Taylor made control. We could even engage with him in ways of getting the rascal out. Nigerian foreign policy would remain Africacentric, and Obasanjo would try to give a greater push to West Africa integration. Buhari is not equally interested in regional affairs. He has told us Nigeria should not be involved in Cote d'Ivoire and he would oppose sending peacekeepers. While Obasanjo hardly needs a fillip, Buhari would have to be vigorously courted to engage actively in regional affairs.

NEPAD

111. (C) This is Obasanjo's brainchild and he will continue to be one of its prime movers, particularly on the peer review mechanism. Buhari probably has no affection for this endeavor. First, it bears Obasanjo's stamp. Second, the no-nonsense, old-fashioned Buhari would likely dismiss NEPAD as some vague, pie-in-the-sky construct that will yield little practical results. Relations with South Africa and Senegal would progressively cool.

CORRUPTION

112. (C) Both men would fight corruption. Obasanjo would continue to use the Anti-Corruption Commission (ICPC) as his spearhead. However, his efforts will be diluted if he retains many of his current Ministers and advisors. If so, he risks losing the battle on corruption to the extent that his second term might become the Nigerian equivalent of President Grant's venal second Administration during America's Gilded Age. Buhari would likely initiate a no-holds-barred battle against corruption. He would not rely on the Anti-corruption Commission as presently constituted, if at all. He would use existing bodies (such as the Code of Conduct Bureau) and the police and other security agencies more than the ICPC. There have been frequent public allegations that Obasanjo and the Presidency have used the ICPC as a political tool. These allegations may be untrue, but they have damaged the ICPC in the eyes of many in the opposition.

NARCOTICS TRAFFIC AND MIL-TO-MIL RELATIONS

113. (C) Both men would fight narcotics trafficking. Judging by his past record, Buhari would be much more aggressive than Obasanjo has been. He might beef up the NOLEA and aggressively go after major traffickers. More would be done to combat advance-fee and other "4-1-9" fraud, and harsh penalties would be levied. However, we would expect Buhari to be cool toward extraditions. On military-to-military relations, Buhari would be less aggressive in deepening ties to Western states. More of Nigeria's resources would be devoted to military preparedness. Buhari might be more belligerent on Bakassi.

HUMAN RIGHTS

114. (C) Obasanjo has a relatively good human rights record with the clear exception of the Zaki Biam and Odi massacres. He has been good on the protection of political and civil liberties. An Obasanjo Administration will be expected to continue to improve its human rights stand on most fronts. Buhari is an unknown quantity. His past term as a military leader was associated with numerous abuses such as draconian prison sentences, executions, and media intolerance. We do not expect him to be as ruthless as before but he will likely be less sensitive to human rights concerns than Obasanjo.

115. (C) Obasanjo opposes strict Shari'a punishments. He would like a test case to make it to federal court so that the GON could participate in the deliberations as a friend of the court. His objective would be a ruling that declares harsh Shari'a punishments, such as stoning sentences for adultery, unconstitutionally cruel and unusual. While Buhari's supports Shari'a, we do not know his stance on the application of particular punishments like stoning. Most likely, Buhari would rather not see a case advance to the federal courts, out of concern that an adverse verdict could basically gut Shari'a. Instead, he would probably prefer that the states be left to handle these affairs according to their individual Shari'a codes. He might not object to the imposition of the harshest sentences but discourage governors from allowing them to be carried out. Unlike Obasanjo, he would not "weep" for Nigeria if Shari'a sentences were carried out. On the other hand, Buhari, unlike Obasanjo, would have clout with Northern Governors and religious leaders on the Shari'a issue, if he chose to intervene.

COMMENT

16. (C) We know Obasanjo better than we know Buhari; however, familiarity should not affect our objectivity in analyzing the policies and our potential relationship with either of the two men, one of whom will be Nigeria's next President. Obasanjo is pro-West and pro-America; however, we have had difficulties and significant disagreements with him. Buhari may not look to the West or America as much as Obasanjo; but he has not been antagonistic. He appears to want a good bilateral relationship and has been accessible to American diplomats. However, the relationship might show different areas of potential cooperation and different areas of disagreement than under Obasanjo. For instance, Obasanjo might be a fellow traveler when it comes to regional conflict resolution; Buhari may be exemplary against corruption. During his previous incarnations as Head of State, then President Zia was the first Head of State received by Buhari in Nigeria. Buhari would seek greater ties with the Muslim world, and would be pro-Arab on issues dealing with the Middle East. Differences of religion may become more prominent in Nigerian politics, no matter the winner of the Presidential race.

117. (C) In the end, Obasanjo may be more reformist on more issues, but he is a flawed reformer who has thus far lacked the necessary focus and political will to prioritize and completely implement important structural reforms. Conversely, Buhari has the reputation of doing what he says he will do. Buhari will be a person dedicated to making trains run on time, in part, by running fewer of them. With either leader, we would have to quickly engage with him after the election to identify how we can best advance areas of agreement and best manage our differences.

JETER